

Partner**Assurance & Advisory Business Services, Atlanta**

Mr. Barrett is currently a partner with the firm of Ernst & Young LLP. ("Ernst & Young"). Ernst & Young is one of the "Big Four" accounting firms and one of the largest professional services firms in the world. At Ernst & Young, Mr. Barrett is the National Director-Electric & Gas Energy Industry where he specializes in providing audit and financial consulting services to the electric, gas, water and wastewater industries.

In 1976, Mr. Barrett started his career with the Federal Power Commission, which later became the Federal Energy Regulatory Commission, as a field auditor responsible for completing audits of electric and gas utilities for compliance with the Commission's Uniform System of Accounts. In 1980, he joined Harvey Hubbell, Inc., a manufacturing company in Orange, Connecticut, as a senior internal auditor. There he was responsible for financial and operational audits of the various divisions of the Company. In 1981, he joined Coopers & Lybrand in their national utility industry program as a supervisor responsible for audits and consulting projects to utilities. He was admitted into the partnership in 1988 and served as the Firm's national utility industry leader for the business assurance line of business from 1996 to 1998. In 1998, he joined the firm of Ernst & Young in his present role as National Director-Utilities.

Mr. Barrett's experience includes financial audits of numerous electric and gas utilities and several energy marketers and traders. He has also performed contract audits of power purchase agreements. He has also testified as an expert in regulatory proceedings and arbitrations. In addition to his audit experience, his non-audit client experience has included examinations of prospective financial information and analysis of projections, assistance in mergers and acquisitions including due diligence and financial analysis, financial systems design and implementation and organization and staffing assessments.

Testimony Experience

Mr. Barrett has filed testimony in the following matters.

2003

- *South Jersey Gas Company Before the New Jersey Board of Public Utilities*

2001

- *Cinergy Corporation vs. The United States*

2000

- *South Jersey Gas Company and Elizabethtown Gas Company Before the New Jersey Board of Public Utilities*

1999

- *Docket 99-457, Delaware Electric Cooperative Before the Delaware Public Service Commission*
- *DPU 97-95, Investigation by the D.T.E. into Boston Edison's Compliance with the Department's Order in D.P.U. 93-37*

- *Public Service of New Hampshire, North Atlantic Energy Corporation, Northeast Utilities and Northeast Utilities Service Company vs. Public Utilities Commission of the State of New Hampshire*

1998

- *Duquesne Light Company vs. State of Ohio, Re: Property Tax Assessment*

1997 - 2000

- *City of Wharton, Pasadena and Galveston, Texas Individually and as Class Representatives vs. Houston Lighting & Power Company and Houston Industries Finance, Inc., Pursuant to Texas Rule of Civil Procedures Regarding Cause No. 96-016613*

1997

- *Case No. PST970002, Old Dominion Electric Cooperative, Application of ODEC for correction of Assessments of Gross Receipts Taxes and for a Refund - tax year 1997*
- *Case No 55-198-012-96 DAW, American Bituminous Power Partners, L.P. vs. Monongahela Power Company*

1992

- *Florida Cities Water Company vs. Hillsborough County, FL*
- *Arbitration, City of Palm Bay, FL and City of North Port, FL vs. Generation Development Utilities, Inc.*
- *Fourth Arbitration, North Carolina Municipal Power Agency No. 1 and Piedmont Municipal Power Agency vs. Duke Power Co.*
- *Seaboard Water Co. vs. Hillsborough County, FL*
- *Docket No. 911030-WS and Docket No. 911-067-WS, The Florida Public Service Commission vs. General Development Utilities, Inc. Port Malabar and West Coast Divisions*

1991

- *City of Austin - City Commissions vs. Southern Union Gas Company*
- *Docket No. 91-7079, et al, Nevada Public Service Commission vs. Sierra Power Company*

1989

- *Docket No. 89-10017, Public Service Commission of The State of Tennessee vs. United Cities Gas Company*

1987

- Docket No. 8970118-GU, Central Florida Gas Company vs. Florida Public Service Commission

1985

- Docket No. 85-17, Public Service Commission of Delaware vs. Chesapeake Utilities Corporation, Delaware Division

1983

- Docket No. RP83-32-000, Eastern Shore Natural Gas Company vs. Federal Energy Regulatory Commission
- Case No. 7952, Chesapeake Utilities - Citizens Division vs. Maryland Public Service Commission

1982

- Docket No. 82-10, Chesapeake Utilities - Delaware Division vs. Delaware Public Service Commission

Representative Client List

The following is a representative listing of clients Mr. Barrett has provided audit services for in either an engagement partner or concurring partner role.

Engagement Partner

- | | |
|---|----------------------------------|
| • Baltimore Gas & Electric Co./Constellation Energy | • Tampa Electric Co./TECO Energy |
| • Chesapeake Utilities Corp. | • Kissimmee Utility Authority |
| • Old Dominion Electric Coop | • Virgin Island Water & Power |
| • Jacksonville Electric Authority | • Mountaineer Gas Co. |
| • Hoosier Energy Coop | • OGE Energy |
| • Citizens Gas & Coke | • Gainesville Regional Utilities |

Concurring Partner

- | | |
|-----------------------------------|---------------------------------------|
| • Kissimmee Utility Authority | • Georgia Transmission Coop |
| • Tampa Electric Co. | • CMS Energy |
| • Chesapeake Utilities Corp. | • Atmos Energy |
| • Jacksonville Electric Authority | • Lee County Electric Coop |
| • Central Electric Coop | • Electric Power Board of Chattanooga |

Speeches, Presentations and Authorships

Mr. Barrett co-authors a biennial report "Survey of FERC Compliance Audit Findings" published by the Corporate Accounting Committee. He has also spoken at numerous industry conferences and training courses sponsored by industry associations, Coopers & Lybrand and Ernst & Young.

Education and Professional Affiliations

- BS in Accounting from University of Scranton, 1976.
- Certified Public Accountant - Florida, Georgia, Indiana, Pennsylvania and Virginia.
- Member – American Institute of Certified Public Accountants.
- Member – Corporate Accounting Committee of the Edison Electric Institute.
- Member – American Gas Association.
- Treasurer – Alliance to Save Energy.

Nicor Gas Company
Summary of 1999 PGA Reconciliation

Attachment MEB-2

| | Accounting Correction - 1999 sale of DSS | | Restated |
|-------------------------------|---|----------------------|-----------------------|
| | Original | | |
| Revenues Recorded | \$ 739,545,488 | | \$ 739,545,488 |
| Recoverable Costs | 755,487,272 | (13,751,764) | 741,735,508 |
| Total Balance to be Recovered | <u>\$ (15,941,784)</u> | <u>\$ 13,751,764</u> | <u>\$ (2,190,020)</u> |

Nicor Gas Company
Summary of 2000 PBR Program and PGA Reconciliation

Attachment MEB-3

2000 PBR Program - Original and Restated ^(a)

| | Accounting Corrections | | | | | | Restated |
|---|-------------------------|---|----------------------|-----------------------|-----------------------|------------------------|-------------------------|
| | Original | Storage Prefills and DSS/NSS Activity | Weather Insurance | Virtual Inventory | Infield Transfers | Meter Reading Error | |
| Benchmark Gas Cost | | | | | | | |
| Market Index Cost | \$ 1,122,020,731 | | | | | | \$ 1,122,020,731 |
| Less: Storage Credit Adjustment | (75,290,989) | (24,050,622) | | 9,219,402 | 9,700,000 | | (80,422,209) |
| Add: Firm Deliverability Adjustment | 116,582,612 | | | | | | 116,582,612 |
| Add: Commodity Adjustment | 4,427,821 | | | | | | 4,427,821 |
| Benchmark Gas Cost | <u>\$ 1,318,322,153</u> | <u>\$ 24,050,622</u> | | <u>\$ (9,219,402)</u> | <u>\$ (9,700,000)</u> | | <u>\$ 1,323,453,373</u> |
| Actual Gas Costs | | | | | | | |
| Total PGA recoverable costs as filed | \$ 1,308,503,255 | \$ 36,017,780 | | | | | \$ 1,344,521,035 |
| Less: Amortization of annual reconciliation balance | 15,941,784 | | | | | | 15,941,784 |
| Add: Amortization of pre-GCPP pipeline refunds | 483,311 | | | | | | 483,311 |
| Less: Transition costs | (842,092) | | | | | | (842,092) |
| Less: Cost associated with Standard Rider 4 | - | | | | | | - |
| Actual Gas Costs | <u>\$ 1,293,886,874</u> | <u>\$ 36,017,780</u> | | <u>\$ -</u> | <u>\$ -</u> | | <u>\$ 1,329,904,654</u> |
| Sharing Results | | | | | | | |
| Actual Gas Costs less Benchmark Gas Cost | \$ (24,435,279) | | | | | | \$ 6,451,281 |
| Nicor Gas share of (Savings) Cost at 50% | \$ (12,217,640) | | | | | | \$ 3,225,641 |
| Customer share of (Savings) Cost at 50% | \$ (12,217,640) | | | | | | \$ 3,225,641 |

2000 PGA Reconciliation - Original and Restated

| | Accounting Corrections | | | |
|--|------------------------|---|----------------------|------------------------|
| | Original | Storage Prefills and DSS/NSS Activity | Prior Period | Restated |
| Revenues Recorded | \$ 1,272,636,113 | | | \$ 1,272,636,113 |
| Recoverable Costs | 1,309,588,256 | 36,017,780 | | 1,345,606,036 |
| 2000 Total Balance to be Recovered | (36,952,143) | (36,017,780) | | (72,969,923) |
| Prior Period Adjustments: | | | | |
| 1999 | | | 13,751,764 | 13,751,764 |
| Total Cumulative Balance to be Recovered | <u>\$ (36,952,143)</u> | <u>\$ (36,017,780)</u> | <u>\$ 13,751,764</u> | <u>\$ (59,218,159)</u> |

^(a) Refer to NP 00001833

Nicor Gas Company
Summary of 2001 PBR Program and PGA Reconciliation

Attachment MEB-4

2001 PBR Program - Original and Restated ^(a)

| | Accounting Corrections | | | | | |
|---|------------------------|---|----------------------|----------------------|-------------------|------------------------|
| | Original | Storage Prefills and DSS/NSS Activity | Weather Insurance | Virtual Inventory | Infield Transfers | Meter Reading Error |
| Benchmark Gas Cost | | | | | | |
| Market Index Cost | \$1,315,335,590 | | | | | \$ (2,320,967) |
| Less: Storage Credit Adjustment | 109,180,736 | 40,131,297 | | | (2,800,000) | |
| Add: Firm Deliverability Adjustment | 116,582,612 | | | | | |
| Add: Commodity Adjustment | 4,121,158 | | | | | |
| Benchmark Gas Cost | \$1,326,858,624 | \$ (40,131,297) | \$ - | | \$ 2,800,000 | \$ (2,320,967) |
| Actual Gas Costs | | | | | | |
| Total PGA recoverable costs as filed | \$1,344,255,713 | \$ 21,604,655 | \$ (2,000,000) | | | |
| Less: Amortization of annual reconciliation balance | 36,952,144 | | | | | |
| Add: Amortization of pre-GCPP pipeline refunds | 2,733,880 | | | | | |
| Less: Transition costs | 664,044 | | | | | |
| Less: Cost associated with Standard Rider 4 | 12,217,639 | | | | | |
| Actual Gas Costs | \$1,297,155,766 | \$ 21,604,655 | \$ (2,000,000) | | \$ - | \$ - |
| Sharing Results | | | | | | |
| Actual Gas Costs less Benchmark Gas Cost | \$ (29,702,858) | | | | | |
| Nicor Gas share of (Savings) Cost at 50% | \$ (14,851,429) | | | | | |
| Customer share of (Savings) Cost at 50% | \$ (14,851,429) | | | | | |

2001 PGA Reconciliation - Original and Restated

| | Accounting Corrections | | | | | |
|---|------------------------|---|----------------------|-----------------|-------------------------|------------------|
| | Original | Storage Prefills and DSS/NSS Activity | Weather Insurance | Prior Period | 2000 PBR Restatement | Restated |
| Revenues Recorded | \$1,459,580,792 | | | | | \$ 1,459,580,792 |
| Recoverable Costs | 1,344,810,710 | 21,604,655 | (2,000,000) | | (15,443,280) | 1,348,972,085 |
| 2001 Total Balance to be Recovered | 114,770,082 | (21,604,655) | 2,000,000 | | 15,443,280 | 110,608,707 |
| Prior Period Adjustments: | | | | | | |
| 1999 | | | | 13,751,764 | | 13,751,764 |
| 2000 | | | | (36,017,780) | | (36,017,780) |
| Total Cumulative Balance to be Refunded | \$ 114,770,082 | \$ (21,604,655) | \$ 2,000,000 | \$ (22,266,016) | \$ 15,443,280 | \$ 88,342,691 |

^(a) Refer to NIC 109916

Nicor Gas Company
Summary of 2002 PBR Program and PGA Reconciliation

Attachment MEB-5

2002 PBR Program^(a)

| | <u>Original</u> |
|-------------------------------------|------------------------|
| Benchmark Gas Cost | |
| Market Index Cost | \$848,740,364 |
| Less: Storage Credit Adjustment | (31,774,681) |
| Add: Firm Deliverability Adjustment | 116,582,612 |
| Add: Commodity Adjustment | 4,392,576 |
| Benchmark Gas Cost | <u>\$1,001,490,233</u> |

Actual Gas Costs

| | |
|---|----------------------|
| Total PGA recoverable costs as filed | \$846,429,461 |
| Less: Amortization of annual reconciliation balance | (114,770,082) |
| Add: Amortization of pre-GCPP pipeline refunds | 6,633 |
| Less: Transition costs | (54,046) |
| Less: Cost associated with Standard Rider 4 | <u>13,521,730</u> |
| Actual Gas Costs | <u>\$947,738,492</u> |

Sharing Results

| | |
|--|-----------------|
| Actual Gas Costs less Benchmark Gas Cost | \$ (53,751,741) |
| Nicor Gas share of (Savings) Cost at 50% | \$ (26,875,871) |
| Customer share of (Savings) Cost at 50% | \$ (26,875,871) |

2002 PGA Reconciliation

| | <u>Accounting Corrections</u> | | | |
|---|-------------------------------|------------------------|---------------------------------|----------------------|
| | 2002 | Prior Periods | 2000 PBR Restatement | Cumulative |
| Revenues Recorded | \$ 943,368,351 | | | \$ 943,368,351 |
| Recoverable Costs ^(b) | 819,415,697 | | | 819,415,697 |
| 2002 Total Balance to be Recovered | 123,952,654 | | | 123,952,654 |
| Prior Period Adjustments: | | | | |
| 1999 | | 13,751,764 | | 13,751,764 |
| 2000 | | (36,017,780) | | (36,017,780) |
| 2001 | | (19,604,655) | 15,443,280 | (4,161,375) |
| Total Cumulative Balance to be Refunded | <u>\$ 123,952,654</u> | <u>\$ (41,870,671)</u> | <u>\$ 15,443,280</u> | <u>\$ 97,525,263</u> |

^(a) Refer to NIC 109404

^(b) The restatement for the 2001 PBR program of \$28,298,760 is included in the 2002 Recoverable Costs of \$819,415,697.